



ESTIMATED REVENUES

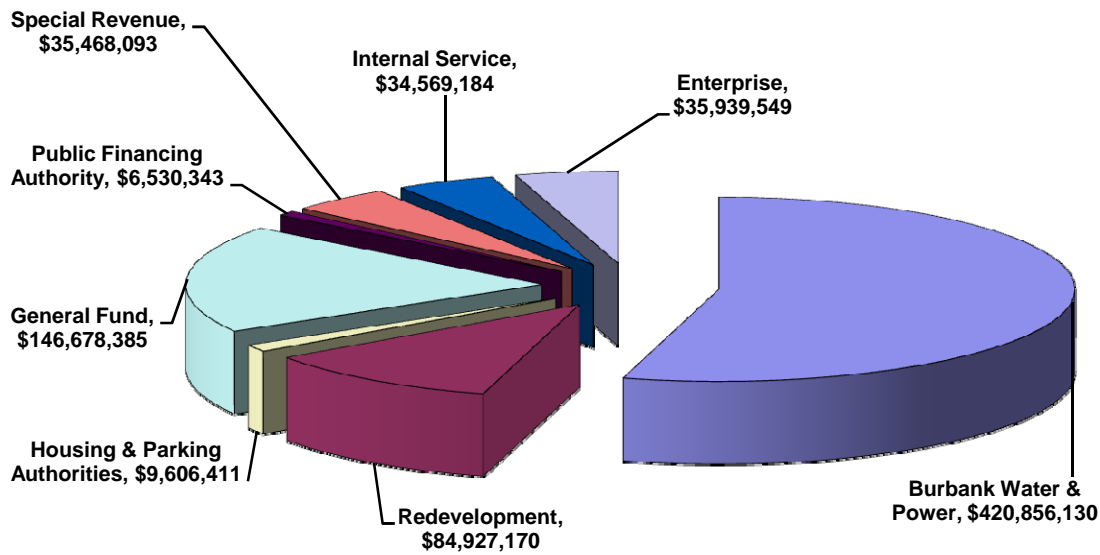
This section presents the Adopted FY 2009-10 City of Burbank estimated revenues for all funds. The section is organized as follows:

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CITY OF BURBANK REVENUE SUMMARY

FUND/FUND GROUP	ESTIMATED RESOURCES*
General Fund	\$146,678,385
Special Revenue Funds (incl. Cap. Projects Fund)	\$35,468,093
Internal Services Funds	\$34,569,184
Water Reclamation & Sewer	\$17,874,799
Golf Fund	\$2,730,451
Water and Electric (BWP)	\$420,856,130
Refuse Collection and Disposal	\$15,334,299
Redevelopment Agency	\$84,927,170
Public Financing Authority	\$6,530,343
Housing Authority	\$8,839,589
Parking Authority	\$766,822
TOTAL ALL FUNDS	\$774,575,265

* Resources represent the total sources available to each fund, such as taxes, fees, charges, sales, interest and use of fund balance (from bonds, depreciation and retained earnings).



TOTAL RESOURCES = \$774,931,428

CITY OF BURBANK REVENUE OVERVIEW

The Fiscal Year (FY) 2009-10 revenue budget was prepared using some basic assumptions about growth of projected revenues based on the Consumer Price Index, proposed fee increases, and available economic data. General Fund revenues for FY 2009-10 are expected to decrease by 0.1% over the original recurring revenue estimates from FY 2008-09. After growing an average of more than 5% during the five years ended June 2008, this represents a significant shift in General Fund Revenue trends. Much of this change can be attributed to the overall state of the local economy. After years of unsustainable growth, the real estate market is declining. From their peak in 2006, Burbank residential housing prices have declined over 25%. An overall decrease in the local workforce has likely been exaggerated by runaway film production. Burbank unemployment which had been 4% as recently as December 2007, is currently over 9%.

Sales, property and utility users taxes (UUT) are the three largest sources of funds, representing 53% of General Fund revenues. Sales tax is projected to decrease 7.9% from the original FY 2008-09 estimates. This is caused by declining consumer, and business and industry spending, as well as a dramatic decrease in jet fuel allocations realized at Bob Hope Airport. Property tax and utility user tax are projected to increase 2% and 6.2%, respectively. Provisions in Proposition 13 cause property tax to be a lagging indicator of current real estate prices. UUT will increase due to continued strength in wireless communications and increasing energy costs. It is essential that the City continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As Internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services.

In FY 2004-05, the State redirected one-quarter cent of the local Sales Tax to the State to pay deficit retirement bonds. In exchange, it has fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account.

The California legislature and governor have recently enacted the FY 2009-10 State budget. In an effort to close a \$26 billion gap; tax increases, program cuts, and provisions affecting local revenues were included. As of the publishing date of this budget, the following is known regarding the effects to local revenues. The State budget authorizes borrowing 8% of property taxes, including the Sales Tax Triple Flip and VLF In Lieu, both of which are backfills using property tax revenue. The estimated impact to the City's General Fund is \$3.2 million. This borrowing is allowed by the State Constitution through Proposition 1A, passed by popular vote in 2004. The funds must be repaid with interest by June 30, 2013.

Also included in the recently enacted State budget is a two year \$2.05 billion statewide property tax increment takeaway. Although this does not have a direct impact on the City's General Fund, it will impact our Redevelopment Agency (RDA). The FY 2009-10 revenue impact to RDA is estimated at \$16.1 million, according to the California Redevelopment Association.

The City of Burbank continues to strive to provide the highest quality of service by taking into consideration the concerns and interests of the past year, and integrating these into a vision dedicated to meeting the needs of our citizens. This is accomplished by making fiscally responsible decisions (structuring a solid forecasting model) that will ultimately strengthen the organization, thereby improving the financial integrity of our organization.

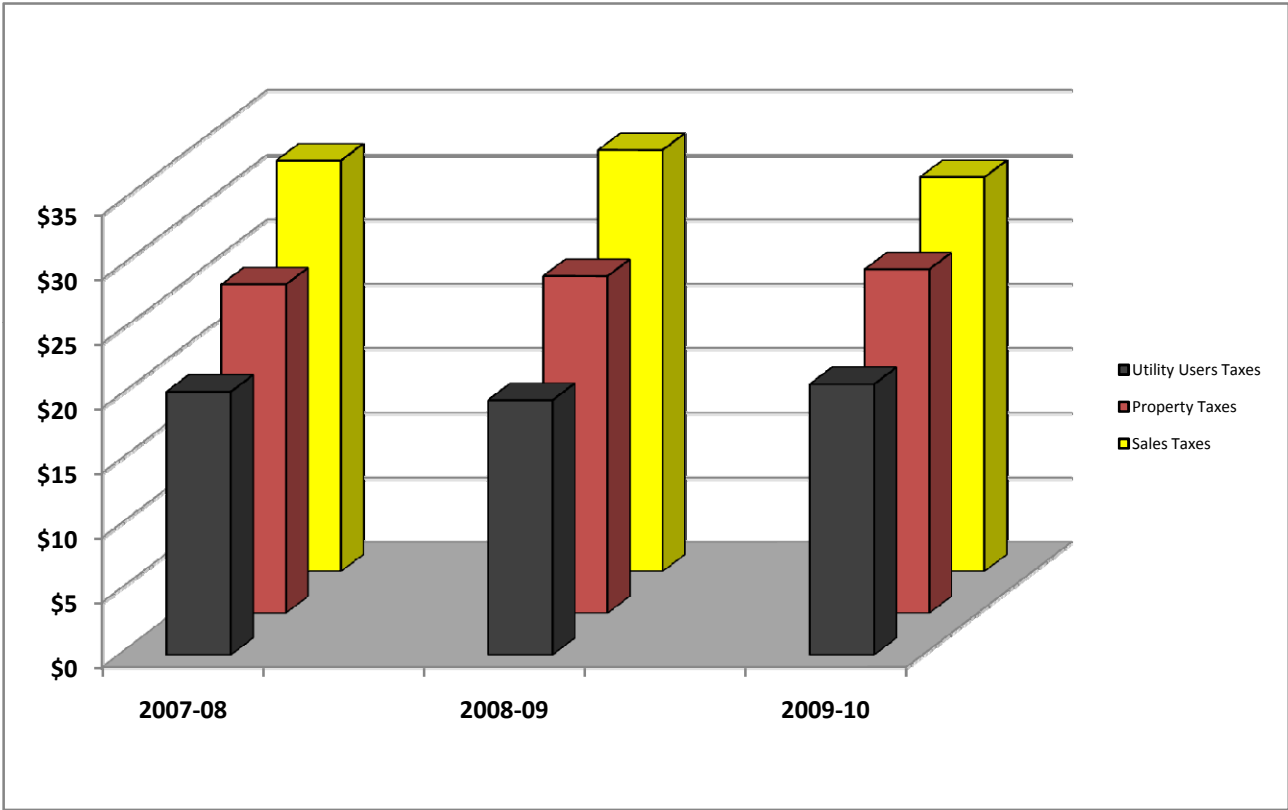
The General Fund provides for City services that citizens associate with local government. This includes safety services - Fire and Police, park, recreation and senior programs, library programs, planning, and building inspections. During FY 2006-07, a comprehensive review of fees was undertaken to ensure that costs are recouped as much as practical. The recommendations were incorporated into the fee

schedule to ensure costs are continued to be recouped. It is important to note that while the City Council annually adopts a Fee Schedule outlining many of the fees charged within the City, the majority of General Fund revenue is beyond the City's control.

The City's economy continues to struggle along with the region and state. After years of strong growth, sales tax is declining and property tax growth has dramatically slowed. As mentioned above, UUT remains at risk due to pending federal and state legislation, particularly for the UUT's application to telecom companies. The City continues to monitor legislation that impacts operations.

The following chart highlights the top three revenue sources for General Fund dollars: sales tax, property tax and utility users tax.

TOP GENERAL FUND REVENUE CATEGORIES
\$ in millions



FINANCIAL FORECASTING

Each year as part of the annual budget process, Financial Services provides an update to the General Fund's Five-Year Financial Forecast. These forecasts portray what is anticipated in the future, based on stated assumptions, and are only as reliable as the underlying assumptions. The intended purpose of this process is to gain an understanding of long-term financial trends, thus allowing the City to make informed financial decisions during the budget process while understanding the future financial impacts, particularly for recurring appropriations. Revenue assumptions are updated annually and throughout the year based on current results and anticipated trend. The Forecast includes estimated revenues from economic development projects that are expected to come on-line during the five year forecast.

CITY OF BURBANK
REVENUE SUMMARY- ALL FUNDS (RECURRING & NON-RECURRING)*
FY 2004-05 through FY 2009-10

	FY 2004-05 ACTUAL	FY 2005-06 ACTUAL	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ADOPTED	FY 2009-10 ADOPTED
CITY GOVERNMENTAL FUNDS						
General Fund, Fund 001	126,080,397	\$ 136,016,554	\$147,899,850	\$139,548,684	\$ 146,797,312	146,678,385
Proposition A, Fund 104	1,744,127	1,926,423	2,011,119	2,168,612	2,300,704	2,599,281
Proposition C, Fund 105	2,022,078	1,544,000	1,961,424	1,858,409	2,275,301	2,418,297
AQMD, Fund 106	156,778	137,339	133,772	175,271	173,187	166,201
Operating Grants, Fund 121	186,040		354,602	268,300	272,760	66,400
CDBG, Fund 122	1,386,698	2,325,687	2,191,878	1,630,465	1,314,965	1,249,879
Drug Asset Forfeiture, Fund 124	221,875	230,841	194,521	163,281	152,400	137,000
State Gas Tax, Fund 125	2,031,183	2,487,677	2,776,406	2,197,503	2,463,812	2,520,898
Public Improvement, Fund 127	3,601,437	9,783,058	5,881,767	2,081,450	6,735,438	6,424,938
HOME Program, Fund 128	1,550,758	994,686	941,398	894,000	798,209	872,935
Street Lighting, Fund 129	2,058,463	1,837,000	2,186,540	2,317,496	2,123,500	2,628,209
YES Fund, Fund 130	629,446	829,760	1,037,626	1,273,238	1,469,946	1,803,074
Community Service (BCSF), Fund 131	-		1,000			
Genl City Capital Projects, Fund 370	5,508,768	9,925,515	17,994,010	7,131,000	6,145,835	14,580,981
PROPRIETARY FUNDS						
Genl Liability Insurance, Fund 530	6,078,596	5,798,649	4,705,203	4,851,955	4,936,712	5,053,326
Workers Comp Insurance, Fund 531	5,949,421	5,776,441	7,772,828	8,067,847	8,862,409	8,682,126
Vehicle Equip Replacement, Fund 532	6,349,996	8,599,907	9,455,743	8,791,013	10,943,161	10,395,418
Office Equip Replacement, Fund 533	925,633	993,049	822,874	855,687	670,994	569,960
Municipal Bldg. Replacement, Fund 534	2,436,876	2,573,252	2,861,565	3,234,876	3,500,981	3,849,784
Communication Equip, Fund 535	2,556,894	2,647,357	2,766,285	3,072,179	4,317,396	3,953,282
Info Systems Replacement, Fund 537	1,238,830	2,027,260	5,954,419	3,410,298	2,276,228	2,065,288
Water Reclamation & Sewer, Fund 494	13,167,180	13,946,550	14,877,069	20,889,027	26,875,936	17,874,799
Golf, Fund 495	2,002,032	1,930,145	2,353,847	2,152,506	2,288,182	2,730,451
BWP, Magnolia Power Plant Fund 483			15,928,983	28,524,355	28,216,118	26,704,077
BWP, Electric Fund 496	253,769,000	345,158,000	401,887,000	353,781,762	346,128,247	354,326,059
BWP, Water Fund 497	17,484,000	18,936,000	23,748,000	32,171,986	33,468,373	39,825,994
Refuse Collection & Disposal, Fund 498	11,135,549	11,529,369	12,578,740	14,687,228	14,565,994	15,334,299
REDEVELOPMENT AGENCY						
Golden State Debt Svc, Fund 201	14,646,128	17,826,335	22,497,461	20,610,697	24,517,919	27,095,691
City Centre Debt Svc, Fund 202	7,147,043	8,124,608	10,283,239	9,366,821	10,598,837	11,385,599
West Olive Debt Svc, Fund 203	6,127,897	8,124,608	8,918,823	8,105,522	8,420,067	11,406,200
So San Fernando Debt Serv, Fund 204	1,257,616	1,915,307	2,626,394	2,636,296	2,762,994	2,896,326
Comm. Facilities District Debt Service, Fund 207		6,359,379	325,229	302,438	301,138	592,238
West Olive Cap Projects, Fund 303	207,367	130,744	2,845,543	2,226,403	2,461,494	3,100,714
Low/Moderate Housing, Fund 305	6,705,485	10,590,795	12,043,840	11,692,427	11,786,030	11,440,102
Merged Project Area, Fund 306	22,412,344	8,732,902	40,424,687	10,980,871	15,674,686	17,010,300
PUBLIC FINANCING AUTHORITY						
PFA Capital Projects, Fund 320	5,756,019	3,578,664	53,907,865	6,478,864	6,478,864	6,530,343
HOUSING AUTHORITY						
Housing Vouchers, Fund 117	8,715,133	8,112,485	8,531,090	8,664,879	8,519,549	8,839,589
PARKING AUTHORITY						
Parking Authority Debt Svc, Fund 210	247,310	251,353	253,086			
Parking Authority Cap Proj, Fund 310	583,646	630,135	979,843	883,165	1,080,171	766,822
TOTAL	544,078,042	662,331,834	\$ 662,331,834	\$ 728,146,811	\$ 752,675,849	\$ 774,575,265

* Resources represent total sources available, including use of fund balance (from bonds, depreciation & retained earnings)

CITY OF BURBANK

REVENUE SUMMARY - RECURRING

Actual 2007-08	% OF TOTAL	Revised 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL
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GENERAL FUND 001

TAXES

Sales Tax	24,083,906	16.09%	24,520,191	16.99%	22,884,091	15.66%
Property Taxes	25,440,701	16.99%	26,090,093	18.08%	26,617,695	18.22%
Utility Users Tax (UUT)	20,310,419	13.56%	19,664,306	13.63%	20,900,000	14.30%
In Lieu Of Taxes - BWP	8,587,733	5.74%	8,837,762	6.12%	9,279,650	6.35%
Sales Tax Triple Flip In-Lieu	7,721,869	5.16%	8,100,000	5.61%	7,628,031	5.22%
Transient Occupancy Tax	5,980,727	3.99%	5,899,852	4.09%	5,899,852	4.04%
Transient Parking Tax	3,651,170	2.44%	2,921,330	2.02%	2,775,263	1.90%
Franchises	2,344,810	1.57%	1,743,311	1.21%	1,778,177	1.22%
Real Property Transfer Tax	618,097	0.41%	290,000	0.20%	290,000	0.20%
Total Taxes	98,739,432	65.95%	98,066,845	67.95%	98,052,759	67.11%

LICENSES & PERMITS

Business Tax	1,762,665	1.18%	1,705,000	1.18%	1,670,900	1.14%
Building Permits	2,072,818	1.38%	1,500,817	1.04%	1,465,180	1.00%
Other Licenses	244,104	0.16%	226,500	0.16%	210,400	0.14%
Other Permits	240,692	0.16%	205,000	0.14%	159,000	0.11%
Business Licenses	177,525	0.12%	242,900	0.17%	272,000	0.19%
Studio Filming Permits	148,098	0.10%	146,000	0.10%	145,000	0.10%
Total Licenses & Permits	4,645,902	3.10%	4,026,217	2.79%	3,922,480	2.68%

FINES, FORFEITURES, & PENALTIES

Parking Fines	1,798,759	1.20%	1,900,000	1.32%	2,040,000	1.40%
Traffic Fines	787,057	0.53%	864,660	0.60%	809,000	0.55%
Other Fines & Forfeitures	30,880	0.02%	47,340	0.03%	33,000	0.02%
Total Fines, Forfeitures & Penalties	2,616,696	1.75%	2,812,000	1.95%	2,882,000	1.97%

USE OF MONEY OR PROPERTY

Interest	2,748,739	1.84%	2,212,322	1.53%	2,374,723	1.63%
Advertising	438,187	0.29%	383,449	0.27%	313,880	0.21%
Donations	353,267	0.24%	177,250	0.12%	168,000	0.11%
Rental	54,206	0.04%	48,600	0.03%	51,600	0.04%
Miscellaneous	140,340	0.09%	49,450	0.03%	49,000	0.03%
Total Use Of Money Or Property	3,734,739	2.49%	2,871,071	1.99%	2,957,203	2.02%

INTERGOVERNMENTAL REVENUES

Motor Vehicle In Lieu Tax	8,419,041	5.62%	8,555,935	5.93%	8,727,054	5.97%
Grants-Park Rec & Comm Svcs	1,449,550	0.97%	520,286	0.36%	424,400	0.16%
Grants-Library	260,760	0.17%	218,006	0.15%	227,438	0.16%
Grants-Other	97,670	0.07%	14,000	0.01%	140,463	0.10%
Grants-Safety	1,844,467	1.23%	346,429	0.24%	306,420	0.21%
Total Intergovernmental Revenues	12,071,488	8.06%	9,654,656	6.69%	9,825,775	6.72%

INTRA-CITY SERVICE CHARGES

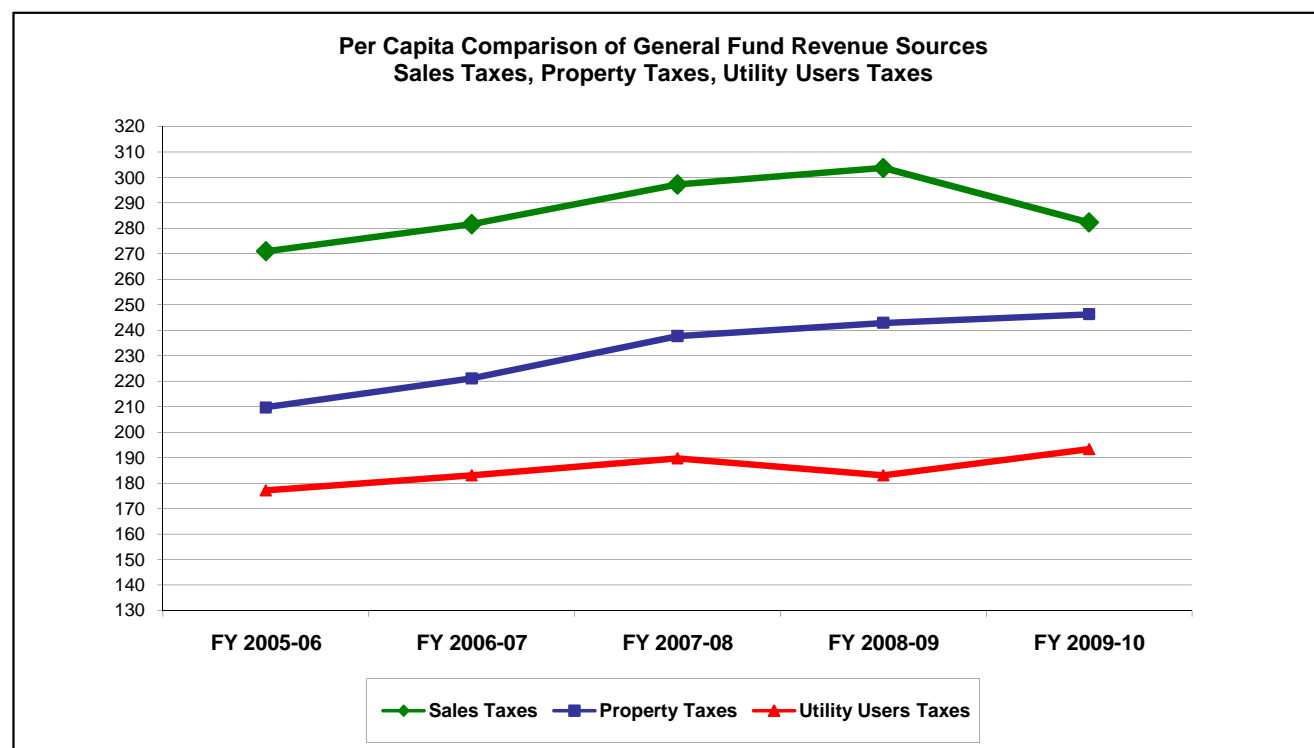
Indirect Charges	9,176,544	6.13%	9,193,261	6.37%	10,417,287	7.13%
Direct Charges	6,457,132	4.31%	6,904,899	4.78%	6,995,327	4.79%
Total Intra-City Service Charges	15,633,676	10.44%	16,098,160	11.16%	17,412,614	11.92%

CITY OF BURBANK REVENUE SUMMARY - RECURRING

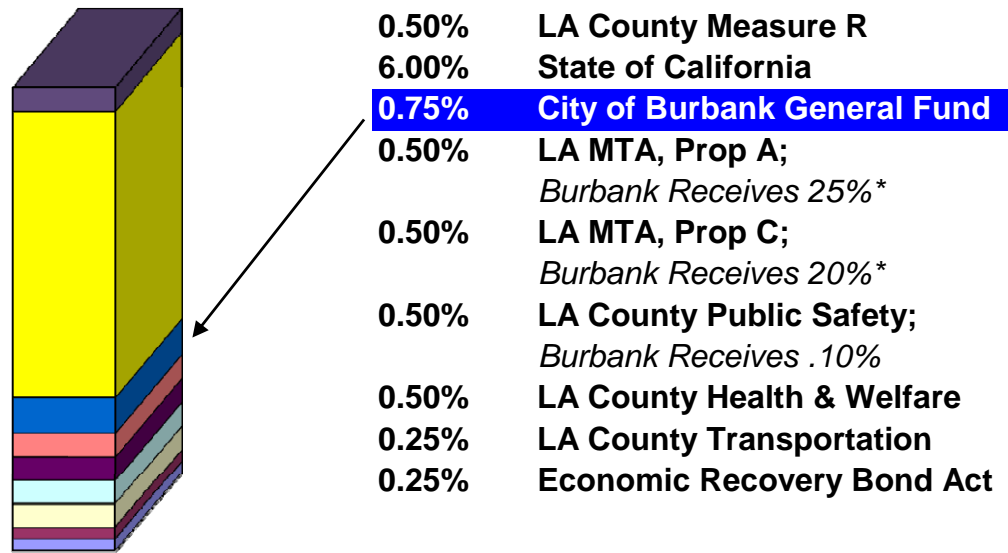
	Actual 2007-08	% OF TOTAL	Revised 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL
SERVICE CHARGES						
Other	2,043,310	1.36%	2,149,066	1.49%	2,484,918	1.70%
Recreation Fees	3,345,086	2.23%	3,210,815	2.22%	3,136,984	2.15%
Emergency Medical Services	1,620,134	1.08%	1,705,442	1.18%	1,700,000	1.16%
Plan Check Fees	1,318,509	0.88%	952,694	0.66%	774,115	0.53%
Safety Services Filming	799,756	0.53%	780,000	0.54%	780,000	0.53%
Encroachment Permits	412,009	0.28%	375,000	0.26%	225,000	0.15%
Environmental Impact Report	299,148	0.20%	50,000	0.03%	-	0.00%
Traffic Signal Maintenance	378,000	0.25%	-	0.00%	-	0.00%
Total Service Charges	10,215,952	6.82%	9,223,017	6.39%	9,101,017	6.23%
OTHER CONTRIB FR OTHER FDS	2,068,918	1.38%	1,559,879	1.08%	1,959,879	1.34%
Total General Fund Recurring Revenue	149,726,803	100.00%	144,311,845	100.00%	146,113,727	100.00%
Plus Non-Recurring Revenue			3,518,951		180,680	
Use of Unrestricted Reserves*	*					
TOTAL GENERAL FUND REVENUE	\$ 149,726,803		\$ 147,830,796		\$ 146,294,407	

*Effective FY 2006-07, the non-recurring and unrestricted reserves is included to better illustrate the total resources used.

The following chart summarizes a comparison of the top three General Fund revenue sources on a per capita basis. Both sales taxes and property taxes have increased at a faster rate than population growth and the rate of inflation; and utility users taxes are somewhat flat, reflecting lower collections due to the competition from the wireless telephone industry.



Allocation of the Burbank Taxpayer's 9.75% Sales Tax



* This is referred to as "Local Return" dollars for Burbank Transportation Projects/Services. The City can also compete for a small portion of the remaining percentage for use on specific one-time transportation projects.

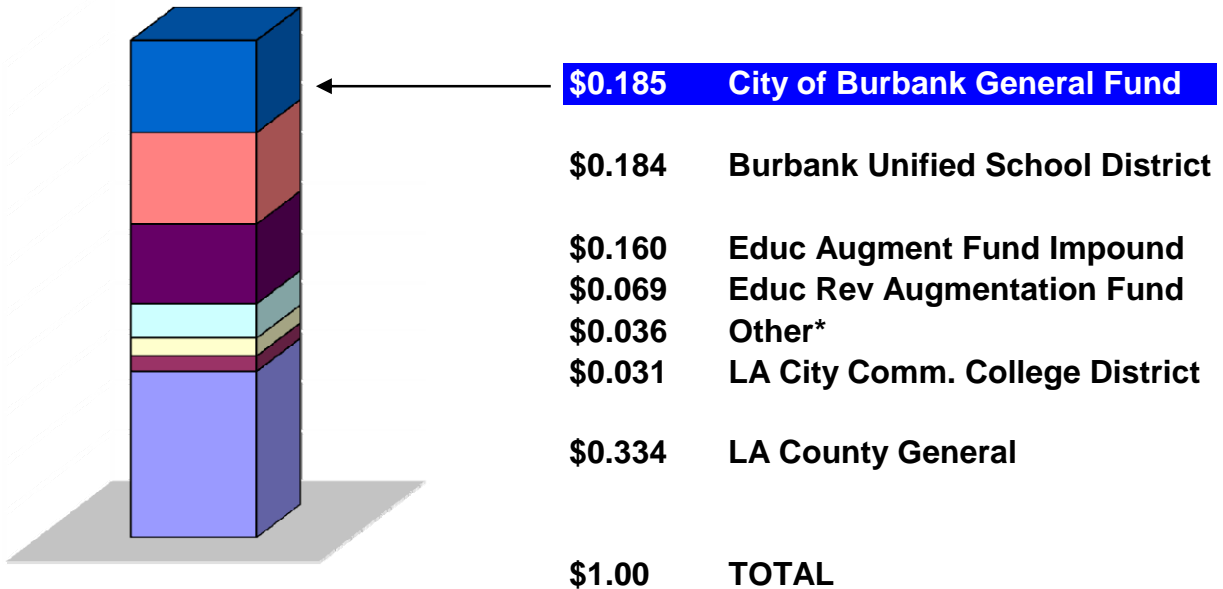
NOTE: Effective FY 2004-05, the State redirects one-quarter cent of Burbank's 1% Sales Tax portion to the State to pay deficit retirement bonds ("triple flip"). In exchange, it will fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account.

TOP SALES TAX PRODUCERS

(listed alphabetically)

Alamo National	Ikea
Arco AM PM Mini Mart	Lowes
Best Buy	Macys
Bp West Coast Products	Office Depot
Carmax Auto Superstores California	Pacific Sales
Community Chevrolet	Rapid Gas
Costco	Sears & Great Indoors
CVS Pharmacy	Southwest Jet Fuel
Fotokem	Stock Building Supply
Frys Electronics	Target
Fuji Medical Systems	Vons
Hertz	Walt Disney Pictures
Home Depot	

Allocation of the Burbank Taxpayer's Property Tax



* Includes LA County Flood Control Maintenance; County School Services Fund Burbank; LA County Fire-FFW; Children's Institutional Tuition Fund; LA County Flood Control District Improvement District Maintenance; Burbank Children's Center Fund; County School Services; Southeast Mosquito Abatement District; LA Community College Children's Center Fund; LA County Accumulative Capital Outlay.

NOTE: Effective FY 2004-05, the State restored the ERAF shift from property taxes but permanently reduced the vehicle license fee (VLF) backfill.

TOP PROPERTY TAXPAYERS (listed alphabetically)

Burbank Empire Center LLC
 Burbank Mall Association LLC
 Casden Aircraft LLC
 Catalina Media Development LLC
 DB Real Estate The Pinnacle LP
 Earth Star
 PHF II Burbank LLC
 Shangri-la Entertainment LLC
 Southwest Airlines
 Walt Disney Pictures and Television

CITY OF BURBANK

REVENUE SUMMARY

GENERAL FUND – PRIMARY REVENUE SOURCES



The top three General Fund revenues are Sales Taxes, Property Taxes, and Utility Users Taxes. The City of Burbank's recurring revenues are anticipated to decline 0.1% over the Adopted Fiscal Year (FY) 2008-09 revenue projections. Most revenue categories are expected to grow or remain constant based on trend analysis of prior year's actual receipts. However, several categories are projected to decline. Overall, the prospects for revenue receipts will be challenging for the foreseeable future.

Several factors have worked to dampen the local economy. Declining retail sales and business activity have put downward pressure on sales tax revenue. A slowing regional economy combined with runaway film production has led to rising unemployment rates locally.

Sales Tax is the largest source of revenue for the City, and generally reflects the state of the economy. A review of sales tax returns shows that sales tax revenues has mirrored the economy with steady growth except for the 1990 through 1992 period. Over the last six years, sales tax has grown at an average annual growth rate of 7.2%. Amid signs of a slowing economy, at mid year the FY 2008-09 adopted sales tax forecast was decreased by 1.5%. Sales have continued to decline, and FY 2009-10 sales tax is expected to decrease an additional 6.5% from the revised FY 2008-09 estimate. Effective January 2008, with the implementation of "wing-tip" allocations of jet fuel sales tax, the City started receiving sales tax revenue from jet fuel sales at Bob Hope Airport. Decreases in fuel costs and declining flight activity have caused wing-tip sales tax allocations to dramatically drop from last year. Additional causes of decreased sales tax revenue are the current recession, and declining consumer and business spending. The drop in sales tax receipts mirrors what is occurring at the regional and state level. As noted earlier, due to the "triple flip" legislation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account, earmarked for the sales tax for property tax swap to pay off the State's deficit bonds.



In 1992, Proposition 163 became part of the California Constitution precluding the State, cities, counties, and special districts from imposing a sales or use tax on food products intended for home consumption.

Proposition 172 increased sales tax by ½ cent effective January 1, 1994 for local public safety. The tax is imposed by the State and distributed to cities and counties. The allocation basis is the proportionate loss from the property tax transfer enacted with the 1993-94 State budget. Funds may be forfeited if a city decreases funding for public safety services below funding in 1992-93. Burbank is in no immediate jeopardy of decreasing its funding.

Calendar year 2009 saw two major increases to the sales tax rate, neither have a direct impact on sales tax allocations to the City. As part of Sacramento's attempt to close a \$26 billion budget gap, effective April 1, 2009 the statewide sales and use tax increased 1% and currently stands at 6%. All additional funds are allocated to the State General Fund. Absent further legislative action, this increase is scheduled to expire July 1, 2011. Also L.A. County voters approved a 0.5% increase in sales tax rate. This will finance new transportation projects and programs, and accelerate many of those already in the pipeline.

GENERAL FUND – PRIMARY REVENUE SOURCES, cont.

The continued growth of electronic commerce is a risk area to the future growth of the City's sales tax revenues. E-commerce continues to grow and it has two negative impacts to the City: (1) It shifts current sales tax revenues from Burbank businesses to internet companies. The City receives 1% of the taxable sales of Burbank businesses versus receiving a small portion of the County or State sales tax pools, if any; and (2) Encourages non-compliance of existing sales and use tax laws. Internet purchases are subject to either a sales (using the "brick and mortar" test) or use tax; however, the State Board of Equalization has no effective methodology for auditing individual use tax liability.

Local sales tax revenues from internet sales fall under Federal and State jurisdiction. The Federal government has extended the moratorium on establishing any new taxation of the electronic commerce. However, proposals exist to either permanently ban or to extend this ban on taxation at both the State and Federal levels. Also, many online retailers have voluntarily started charging sales tax. Staff closely monitors all activities relating to this issue.

Property Taxes have traditionally been a stable source of revenue for cities. The authority to levy property tax is stipulated within the California Constitution and the Revenue and Taxation Code. Property taxes are assessed on real property and tangible personal property within California.

A general ad valorem tax is imposed on real property (land and permanently attached improvements) and tangible personal property (movable property). The County administers distribution of this general tax revenue which is unrestricted. Properties are separated into two categories: Secured Property and Unsecured Property. Locally assessed real property is appraised at the base year value and adjusted each year after 1975 by the change in the Consumer Price Index not to exceed 2%. Re-appraisal may take place upon a change in ownership or new construction. Prior to adoption of Proposition 13 in 1978, a governmental entity could set a property tax rate annually. Post Proposition 13, a single countywide rate was effective set at 1%, and the state was given the authority to allocate property taxes within counties.



For FY 2009-10, staff is predicting a 2% increase in property tax revenue over FY 2008-09. However, since receipts lag the actual economic climate, staff estimates a less aggressive amount of 0.8% in future years. The real estate market continues to be in transition as property values decline and foreclosures rapidly increase (due to subprime mortgages and/or property owners' inability to refinance due to decreased equity), and overall increased inventory.

Utility Users Tax has grown by an average annual rate of 4.9% for the past five years. This growth has been the result of the growth in telephonic communication such as cellular usage, increasing utility rates and aggressive collection efforts on the part of the City. FY 2009-10, UUT revenue is estimated to increase 6.2% due to the increased cost of retail electric and natural gas as well as continued strength in wireless communication. It will be important for the City to continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services.

CITY OF BURBANK GENERAL FUND REVENUE DESCRIPTION SUMMARY

SALES TAXES

Sales Taxes are imposed on all applicable retail and commercial businesses selling goods in the City and represent the City's largest revenue source. This tax is based on the sales price of any taxable transaction relating to taxable personal property. In accordance with the City's Bradley-Burns Uniform Sales Tax ordinance, the Board of Equalization allocates the City's sales tax, 1% of taxable sales occurring in Burbank, to the City.

Beginning in FY 2004-05, the State redirected one-quarter cent of the local Sales Tax to the State to pay deficit retirement bonds. In exchange, it has fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account (Sales Tax Triple Flip In-Lieu), earmarked for this use.

Decreased activity at all of Burbank's major economic zones contributed to decreased sales tax. Several major retail closures have had a negative impact including Circuit City, Shoe Pavilion, Linens-N-Things, and Mervyn's. The City continues to pursue economic development opportunities in the current challenging environment in an effort to minimize the effects of the recession. First quarter 2009 sales tax revenue decreased by 16.3% compared to 2008. This increase was comparable to Los Angeles County and the State, which experienced decreases of 16.4% and 16.5% respectively.

Prior to January 2008, sales tax on jet fuel was allocated to the agency where the contract was signed. Currently it is allocated to the agency where the plane's "wing-tip" is when fueling actually takes place. Declines in the number of flights, airplane size and fuel prices have conspired to dramatically decrease this revenue source. Additionally because of these factors, some airlines have opted to stop filling their planes at Bob Hope Airport.

PROPERTY TAXES

Property Taxes are one of the General Fund's top three revenue sources. This tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (such as airplanes) located within the City. A total tax of one percent (1%) is levied on the assessed value of property as determined by the Los Angeles County Assessor. The City of Burbank receives approximately 18.5% of the 1% levy on the assessed value. FY 2009-10 Property Tax is expected to grow by 2% based on a projected increase in assessed valuation.

During the real estate boom the City realized strong annual growth rates in real property and transfer taxes. This trend has reversed and prices are falling, reflecting the softening real estate market. Due to the uncertainty of the overall housing market, the long term forecast for property tax revenue is conservative.

UTILITY USERS TAXES

The City levies **Utility Users Taxes** on electric sales, telephone usage (hardwired and cellular) and natural gas sales at the rate of seven percent (7%). Unlike other cities, Burbank does not apply this tax to water, cable television, sewer, and refuse collection usage/sales. The Utility Users Tax (UUT) remains a major source of General Fund revenue despite potential weakness caused by technological changes in telecommunications that may reduce the basis for taxation under this tax in the long-term. These impacts have been mitigated in the past through business expansion and increases in the cost of energy. Since UUT is the third largest revenue source to the General Fund,

CITY OF BURBANK
GENERAL FUND REVENUE DESCRIPTION SUMMARY, cont.

UTILITY USERS TAXES (cont.)

it will be important for the City to continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As Internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services. Overall, FY 2009-10 UUT revenue is estimated to increase 6.2% due to increases in electric and natural gas retail sales as well as telecommunications.

Over the past few years UUT revenue has benefited from increasing energy prices and stronger than anticipated growth in wireless telecom. The current economic downturn is expected to dampen future growth in these areas. The long term forecast for UUT reflects this uncertainty in future growth.

IN-LIEU OF TAXES

The City's Burbank Water & Power Department (BWP) pays the ***In-Lieu of Tax*** instead of paying a franchise fee. This revenue source represents a total charge of 6.25% on retail electric sales and 5% of all water sales. The electric sales charge is deposited into two funds: the General Fund (Fund 001) receives 5% and the Street Lighting Fund (Fund 129) receives the remaining 1.25%. The 5% water sales charge is deposited into the General Fund. In-Lieu of Taxes-BWP represents the sixth largest General Fund revenue.

TRANSIENT OCCUPANCY TAXES (TOT)

The ***Transient Occupancy Tax (TOT)***, otherwise known as a "Bed Tax," is a 10% tax applied to the cost of occupying a room in a hotel, inn, motel, tourist home, or other lodging facility within the City's limits. This tax collects revenue for the use of City services by non-residents who would not likely otherwise contribute to the provision of these services. As a result of a slowdown in business travel and the unlikelihood of any hotel expansions, this revenue source is anticipated to have no growth in FY 2009-10.

TRANSIENT PARKING TAXES (TPT)

The ***Transient Parking Tax (TPT)***, was increased from 11% to 12% effective July 2005. It is charged to customers, and collected and remitted to the City by parking lot operators who charge for their services for parking for short periods of time (e.g., airport, businesses, hotels, and restaurants). Monthly (or long term parking), and medical facilities are exempt. More than 90% of TPT is derived from lots serving the Bob Hope Airport. Passenger counts have been steadily declining. The FY 2008-09 adopted forecast was revised down 11.5% at mid year and is expected to decline an additional 5% during FY 2009-10.

FRANCHISE FEES

Franchise Fees are imposed on various companies using "public rights-of-way" to conduct their business operations. Such fees include: A 5% Franchise Fee on cable television gross receipts; 1% fee on natural gas gross receipts; a 2% fee on receipts arising from electricity transmission by private companies; and, a 2% fee on receipts arising from the use of pipelines within the City.

CITY OF BURBANK
GENERAL FUND REVENUE DESCRIPTION SUMMARY, cont.

BUSINESS TAXES

Business Taxes are imposed for the privilege of conducting business within the City. Business Taxes are considerably lower than many other Los Angeles County cities even though thousands of businesses operate in Burbank. Fees range from a flat amount applicable to specific business types to a graduated formula according to sales, number of employees and square footage. Staff anticipates a decrease of 2% in FY 2009-10 as a result of a slowdown in local business activity, then modest increases in future years.

BUILDING PERMITS

Building Permits are required by the City to ensure that structures meet specific standards. The City requires various construction permits for activities such as the installation of electric, plumbing and sewage facilities. A fee is levied for these permits in order to recover only the costs incurred. Due to reduced construction activity throughout the City, staff anticipates this revenue source to decrease during FY 2009-10. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

LICENSES

Licenses are collected for certain types of activities within City boundaries such as Business Licenses, Horse Licenses or Dog Licenses.

PARKING FINES

Parking Fines issued by the Police Department represents a small portion of General Fund revenues. The City is exploring using a specialized firm to pursue the collection of long, outstanding parking fines in an effort to increase revenue. Most parking fines increased \$5 per citation effective July 1, 2009. Since almost all of the increase is due to higher court fees charged to the City, the net increase is expected to be minimal.

TRAFFIC FINES

Traffic Fines are collected from moving violations issued by the Police Department. They are issued for both City and California Highway Patrol traffic violations, with the majority of the revenue going to the State of California.

INTEREST INCOME

Interest Income represents another significant revenue source. The City Treasurer invests idle funds in various investment instruments and the City's portfolio receives interest income. The main investment goal is to protect each investment while achieving the highest rate of return. The City Treasurer's goal is to achieve an average annual investment portfolio yield of 2.75% during FY 2009-10.

CITY OF BURBANK
GENERAL FUND REVENUE DESCRIPTION SUMMARY, cont.

MOTOR VEHICLE IN-LIEU OF TAXES

Motor Vehicle In-Lieu of Taxes represent a State vehicle license fee imposed on California motorists for the privilege of operating a motor vehicle on the public highways. All motor vehicles registered in the State were subject to the 2% fee imposed in-lieu of property taxes. Cities, such as Burbank, received a portion of the fees collected on vehicles registered within their city limits based on each city's population. In 1998, the State had reduced the amount paid by vehicle owners and made up the difference ("backfilling") to local agencies. However, effective June 2003, the State stopped its backfill, but then reinstated it temporarily in December, 2003.

As part of the 2004 state budget, the fees paid by motorists have been reduced permanently to .65% from 2%, and a property tax backfill has been permanently established. The amount of property tax received in lieu of VLF is tied to the City's gross assessed value of taxable property.

INTRA-CITY SERVICE CHARGES

Direct and Indirect Charges to Other Funds (Administrative Services): General Fund programs and staff provide services such as police protection, fire suppression and tree trimming, to a wide range of residents and businesses. However, some staff and services are utilized to support non-General Fund activities. Charges are derived from allocating the program and service costs and the respective departments are charged accordingly.

PLAN CHECK FEES

Plan Check Fees are charged to developers to cover a portion of the cost of processing building and structure plans. The fee is a percent of the permit and inspection fees for building construction, including new construction, additions or alterations to a building or structure. Due to reduced construction activity throughout the City, staff anticipates this revenue source to decrease during FY 2009-10. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

SAFETY SERVICES FILMING

One of the benefits of having numerous studios and production companies within the City's boundaries is that hundreds of movies, television shows and commercials are filmed in Burbank every year. Location shoots require safety personnel to be available to manage traffic, watch over sets, and ensure that fire prevention regulations are enforced, among other duties. The City charges fees to the production companies to recoup its costs for providing this safety staffing.

INTERFUND TRANSFERS

Interfund Transfers or contributions from other funds are made to the General Fund for assorted purposes. Every year, the General Fund receives a contribution from the Gas Tax Fund (Fund 125) to offset the costs of staffing engineers and other support personnel for road construction projects. Interfund transfers are typically of a one-time nature.

CITY OF BURBANK
NON-GENERAL FUND REVENUE SUMMARY
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2007-08	% OF TOTAL	Adopted 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL
SPECIAL REVENUE FUNDS						
Proposition A, Fund 104	2,037,910	4.0%	2,005,786	9.3%	1,973,898	9.4%
Local Return - Prop A	1,751,492		1,754,286		1,772,398	
Other	286,418		251,500		201,500	
Proposition C, Fund 105	1,733,528	3.4%	1,838,000	8.5%	1,728,460	8.2%
Local Return--Prop C	1,417,728		1,455,000		1,470,460	
Other	315,800		383,000		258,000	
AQMD, Fund 106	235,486	0.5%	134,300	0.6%	134,500	0.6%
Operating Grants, Fund 121	260,083	0.5%	272,760	1.3%	66,400	0.3%
CDBG, Fund 122	1,526,584	3.0%	1,314,965	6.1%	1,249,879	5.9%
Grant-Comm Devel Block Grant	1,395,676		1,163,879		1,163,879	
Other	130,908		151,086		86,000	
Drug Asset Forfeiture, Fund 124	1,086,566	2.1%	152,400	0.7%	137,000	0.7%
State Gas Tax, Fund 125	1,936,465	3.8%	2,463,812	11.4%	2,520,898	12.0%
State Gas Tax	1,873,752		1,914,945		1,758,646	
Other	62,713		548,867		762,252	
Public Improvement, Fund 127	5,286,100	10.2%	6,735,438	31.2%	6,424,938	30.5%
Impact Fees-Transportation	731,164		1,500,000		1,500,000	
Impact Fees-Other	331,301		2,527,978		2,527,978	
Miscellaneous	4,223,635		2,707,460		2,396,960	
HOME Program, Fund 128	796,938	1.5%	798,209	3.7%	872,935	4.1%
Street Lighting, Fund 129	2,393,160	4.6%	2,123,500	9.8%	2,573,500	12.2%
YES Fund, Fund 130	1,234,915	2.4%	1,469,946	6.8%	1,803,074	8.6%
Genl City Cap Projects, Fund 370	33,060,638	64.1%	2,305,000	10.7%	1,578,000	7.5%
Total Special Revenue	\$ 51,588,373	100.0%	\$ 21,614,116	100.0%	\$ 21,063,482	100.0%

INTERNAL SERVICE FUNDS						
General Liability Insurance, Fund 530	4,631,641	13.8%	4,619,760	14.9%	4,955,282	16.4%
Workers Comp Insurance, Fund 531	8,089,621	24.1%	8,862,409	28.5%	8,682,126	28.7%
Vehicle Equip Replacement, Fund 532	10,377,680	31.0%	9,300,106	29.9%	8,608,749	28.5%
Office Equip Replacement, Fund 533	872,715	2.6%	670,994	2.2%	569,960	1.9%
Municipal Building Replacement, Fund 534	3,231,447	9.6%	2,551,010	8.2%	2,694,000	8.9%
Communication Equip, Fund 535	2,808,094	8.4%	2,812,585	9.0%	2,625,000	8.7%
Info Systems Replacement, Fund 537	3,493,262	10.4%	2,276,228	7.3%	2,065,288	6.8%
Total Internal Service	\$ 33,504,460	100.0%	\$ 31,093,092	100.0%	\$ 30,200,405	100.0%

CITY OF BURBANK
NON-GENERAL FUND REVENUE SUMMARY
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2007-08	% OF TOTAL	Adopted 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL
ENTERPRISE FUNDS						
Water Reclamation/Sewer, Fund 494	14,984,602	3.2%	16,192,935	3.9%	15,646,644	3.7%
Sewer Service Charges	13,555,784		14,711,000		14,692,402	
Interest/Other	1,164,663		893,247		424,516	
Permits & Inspection	10,934		20,688		11,000	
Sewer Facilities Charge	253,221		568,000		518,726	
Golf, Fund 495	1,865,352	0.4%	2,288,182	0.6%	2,225,022	0.5%
Green Fees	1,039,416		1,417,260		1,396,177	
Electric Cart Rental	490,503		603,682		580,409	
Other	335,433		267,240		248,436	
Magnolia Power Plant, Fund 483	26,840,125	5.7%	28,216,000	6.8%	26,704,077	6.3%
Electric, Fund 496	388,894,533	82.5%	326,861,000	79.3%	334,839,000	79.4%
Wholesale	220,179,398		160,000,000		160,000,000	
Retail	155,511,285		160,812,000		167,369,000	
Aid in Construction	1,537,093		2,550,000		1,610,000	
Interest	4,648,538		219,000		1,293,000	
Miscellaneous	7,018,219		3,280,000		4,567,000	
Water Fund 497	25,569,742	5.4%	24,724,000	6.0%	27,092,000	6.4%
Potable Water Sales	21,078,907		20,540,000		23,055,000	
Reclaimed Water Sales	1,423,636		1,885,000		2,018,000	
Aid in Construction	1,098,052		1,190,000		829,000	
Interest	1,166,334		277,250		242,000	
Miscellaneous	802,813		831,750		948,000	
Refuse Collection/Disposal, Fund 498	13,194,623	2.8%	13,708,721	3.3%	15,334,299	3.6%
Residential/Apartment Collection	8,220,795		9,497,873		8,712,771	
Commercial Collections	1,649,126		1,779,648		1,612,805	
Interest/Other	1,805,976		1,144,051		2,672,676	
Gross Hauler Fees	1,100,369		950,000		1,997,047	
Recycling	418,357		337,149		339,000	
Total Enterprise Funds	\$ 471,348,977	100.0%	\$ 411,990,838	100.0%	\$ 421,841,042	100.0%

HOUSING AUTHORITY

Housing Vouchers, Fund 117	8,332,443	100.0%	8,519,549	100.0%	7,621,642	100.0%
Total Housing Authority	\$ 8,332,443	100.0%	\$ 8,519,549	100.0%	\$ 7,621,642	100.0%

PARKING AUTHORITY

Parking Authority Debt Svc, Fund 210	-	0.0%		0.0%		0.0%
Parking Authority Cap Proj, Fund 310	876,800	100.0%	1,080,171	100.0%	753,090	100.0%
Total Parking Authority	\$ 876,800	100.0%	\$ 1,080,171	100.0%	\$ 753,090	100.0%

PUBLIC FINANCING AUTHORITY

Public Financing Authority, Fund 320	\$ 4,152,341	100.0%	\$ 3,600,000		\$ 3,608,000	100.0%
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CITY OF BURBANK
NON-GENERAL FUND REVENUE SUMMARY
 (Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2007-08	% OF TOTAL	Adopted 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL
REDEVELOPMENT AGENCY						
Golden State Debt Svc, Fund 201	24,779,313	33.0%	22,814,421	31.7%	27,085,786	32.1%
City Centre Debt Svc, Fund 202	9,984,243	13.3%	10,596,337	14.7%	11,348,125	13.5%
West Olive Debt Svc, Fund 203	8,671,247	11.5%	8,255,315	11.5%	11,406,200	13.5%
So San Fernando Debt Serv, Fund 204	2,990,113	4.0%	2,572,926	3.6%	2,795,440	3.3%
Comm Facilities Dist Debt Serv., Fund 207	-	0.0%	301,138	0.4%	587,737	0.7%
West Olive Cap Projects, Fund 303	2,328,724	3.1%	2,461,494	3.4%	3,100,714	3.7%
Low/Moderate Housing, Fund 305	11,161,271	14.8%	9,237,419	12.8%	10,953,942	13.0%
Merged Capital Project Areas, Fund 306*	15,249,166	20.3%	15,674,686	21.8%	17,010,300	20.2%
Total Redevelopment Agency	\$ 75,164,077	100.0%	\$ 71,913,736	100.0%	\$ 84,288,244	100.0%

TOTAL NON-GENERAL FUND REVENUE	\$ 644,967,471	\$ 549,811,502	\$ 569,375,905
GENERAL FUND RECURRING REVENUE	149,726,803	146,287,845	146,113,727
TOTAL ALL REVENUE	\$ 794,694,274	\$ 696,099,347	\$ 715,489,632

*Golden State (Fund 301), City Centre (Fund 302) and South San Fernando (Fund 304) Project Areas were merged into a single area during FY 2004-05.

**SPECIAL REVENUE FUNDS / CAPITAL PROJECT FUND
REVENUE DESCRIPTIONS**

PROPOSITION A – TRANSPORTATION

Fund 104

Proposition A revenues represent the City's portion of a special Los Angeles County ½ cent Sales Tax passed by the voters in 1980. Cities are entitled to 25% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively in support of the City's Proposition A/Transportation Fund budget. Revenue growth for these funds is contingent on the County's overall sales growth.

PROPOSITION C – TRANSPORTATION

Fund 105

Proposition C revenues represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 1990. Cities are entitled to 20% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively to support the City's Proposition C/Transportation Fund budget.

AQMD FEES-TRANSPORTATION

Fund 106

The South Coast Air Quality Management District (AQMD) receives a small portion of the annual vehicle registration license fees. The AQMD remits a portion of these revenues to cities for selected anti-pollution/transportation projects. Burbank's revenues are deposited into a special **AQMD Fees–Transportation** Fund for ride-sharing and anti-pollution projects.

COMMUNITY DEVELOPMENT BLOCK GRANT

Fund 122

The Federal Department of Housing and Urban Development (HUD) created the **Community Development Block Grant (CDBG)** program to revitalize low and moderate income areas within American cities. Burbank's CDBG revenues change each year and have specific restrictions.

DRUG ASSET FORFEITURE

Fund 124

On July 1, 1996, the **Drug Asset Forfeiture** Fund was established to account for revenues and expenditures. Revenue estimates and appropriations will be made only after drug assets are seized, and the revenues are remitted to the City.

STATE GAS TAXES

Fund 125

State Gas Taxes are derived from State of California taxes on gasoline purchases and are allocated, on a share basis to cities. These revenues are broken down into Section 2105, 2106, and 2107 and are restricted and can only be used on public street construction, improvements, and/or maintenance. Another Section 2107.5, restricts revenue usage to public street engineering costs and administrative/labor expenditures.

**SPECIAL REVENUE FUNDS / CAPITAL PROJECT FUND
REVENUE DESCRIPTIONS, cont.**

DISASTER RELIEF

Fund 126

Disaster Relief monies received from various Federal, State and Regional agencies for reimbursement of City costs incurred from disasters are included in this fund. Due to the nature of the fund, no revenue is currently forecasted.

PUBLIC IMPROVEMENTS

Fund 127

This fund provides for **Public Improvements** through imposition of Development Impact Fees. Public Improvement projects included in this fund are restricted to those designated in the Infrastructure Blueprint and the Community Facilities Element. Activities are restricted to specific projects in the Community Development, Fire, Library, Park, Recreation & Community Services, and Police Departments.

HOME PROGRAM

Fund 128

This program provides Housing and Urban Development (HUD) funding to increase the affordable housing supply in the City.

STREET LIGHTING

Fund 129

In-Lieu of Taxes received from Burbank Water and Power (BWP) have 1.25% of their revenues deposited into the **Street Lighting** Fund. Most cities directly charge residents for this service through assessment districts. BWP administers the Street Lighting Fund.

YOUTH ENDOWMENT SERVICES (YES)

Fund 130

This fund provides for **Youth Endowment Services (YES)** activities. In prior years, the Redevelopment Agency provided 5% of property tax increment growth as revenue and private donations also account for a small portion of revenues. In January 1996, the YES Fund was expanded to include the City's youth employment program, Burbank Employment and Student Training (BEST). The business community has an opportunity to donate funds to pay a portion of the wages for youth employed by private businesses and non-profit organizations. Effective FY 2004-05, Management Services took over administering the YES Fund for the youth employment portion, while Park, Recreation and Community Services Department continues to manage the capital projects portion.

CAPITAL PROJECTS FUND – GENERAL CITY

Fund 370

This fund accounts for the **General City – Capital Projects**. The majority of the funding for this fund comes from contributions from the General Fund (Fund 001). Other funding sources include grants and City Redevelopment funds.

CITY OF BURBANK

Internal Service Fund Revenue Summary

Each of the seven Internal Service Funds will receive adequate revenues in FY 2009-10 to cover this year's appropriations. Internal Service Funds are used for the following purposes:

- 1) Accumulate adequate replacement funds for a variety of capital goods.
- 2) Accumulate adequate maintenance funds for a variety of capital goods.
- 3) Pay for various services provided by one department to other City departments on a cost-reimbursement basis (such as General Liability and Workers' Compensation Insurance).

Each Internal Service Fund receives its revenues via:

- 1) Premium Charges/Rental/Replacement Charges to the applicable user departments.
- 2) Interest/Other.
- 3) Transfers from other funds.

CITY OF BURBANK

Enterprise Fund Revenue Summary

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. The City of Burbank currently has five Enterprise Funds: Electric, Water (operated by Burbank Water and Power), Golf (operated by Park, Recreation and Community Services), Water Reclamation & Sewer (operated by Public Works), and Refuse (operated by Public Works).

Each fund must ensure that its revenues cover operating expenses (including depreciation) of providing goods and services to users/customers. Revenues may be comprised of Service Charges/Fees/Sales, Interest and Other Income.

The Electric Fund's budget highlights include: Numerous environmental and conservation programs, initiate implementation of a utility Smart Grid, and electric line upgrades. Mainly due to the increased use of renewable energy sources and increases in natural gas prices, an electric rate increase of 5.75% for all customers, except Lifeline customers, will take effect on January 1, 2010. Despite the increase, rates remain very competitive, both locally and regionally.

The Water Fund's budget highlights include: Environmental and conservation programs, and the continued expansion of the recycled water system. A proposed water rate increase of 15% is necessary because of water supply issues and water cost escalation beyond the City's control. Other items contributing to the increase include increased costs to: replenish stored groundwater credits, meter and hydrant replacements, security improvements, in addition to the recycled water expansion.

The Golf Fund's budget highlights include completed improvements of the DeBell clubhouse and continued improvements of the golf course. The Water Reclamation & Sewer Fund's proposed budget reflects an overall sewer rate increase of 5%, and the Refuse Fund also includes a proposed refuse rate increase of 8%. These proposed rate increases are a result of increased costs to the funds.

CITY OF BURBANK

Redevelopment Agency Revenue Summary

The Redevelopment Agency has a total of eight funds: two Project Area Capital Projects Funds, five Project Area Debt Service Funds and one Low/Moderate Income Housing Capital Projects Fund. Each fund will have adequate revenues to cover operational expenditures and/or debt service obligations.

The primary financing tool available to the Redevelopment Agency is the *tax increment*, as authorized under California law. When a redevelopment project area is first formed, the property tax values at the time of project area formation are frozen, and serve as the “base year” property tax values. When property values increase, through the normal course of redevelopment, the values in excess of the base year are deemed to be the incremental assessed value. Thus, incremental property tax revenues are derived from this incremental assessed value increase.

Since 1977, redevelopment agencies have been required to set aside twenty percent (20%) of their incremental property tax revenues into a fund (Fund 305) to be used solely for low and moderate housing development.

Other sources of Agency revenue include land sale proceeds, developer advances, lease revenues, interfund transfers, and interest/investment earnings.

CITY OF BURBANK

Housing Authority Revenue Summary

The Burbank Housing Authority was formed in 1975 to administer the Section 8 Rental Assistance Program that is funded by the United States Department of Housing and Urban Development (HUD). This Program provides rent subsidy payments directly to landlords on behalf of eligible tenants. The Section 8 Program provides an additional resource for assisting very low-income renters in Burbank.

CITY OF BURBANK

Parking Authority Revenue Summary

The Parking Authority has one Capital Projects Fund and one Debt Service Fund. The Debt Service Fund paid off the 1991 bonds during FY 2006-07. Parking revenues are expected to remain constant from last fiscal year. In addition, AMC Theaters provide funds to offset downtown parking structure maintenance costs. The Public Works Department administers the Parking Authority Fund.

CITY OF BURBANK

Public Financing Authority Revenue Summary

The Public Financing Authority purchased a portion of the Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A. Those bonds provided funds for the acquisition and construction of various projects within the area. Revenue for this fund is transferred from the Golden State Redevelopment Agency.